



DEPARTMENT OF ENVIRONMENTAL QUALITY

KATHLEEN BABINEAUX BLANCO
GOVERNOR

MIKE D. MCDANIEL, Ph.D.
SECRETARY

September 30, 2005

Via U.S. Certified Mail
No. 7004 1160 0001 9954 4135

Ms. Michelle M. Howard
The Dow Chemical Company
Counsel for Angus Chemical Co.
Legal Department
P. O. Box 150, Building 2306
Plaquemine, LA 70764

Re: Angus Chemical Company
Enforcement Nos. AE-CN-03-0215, AE-CN-03-0215A
Agency Interest No. 1556

Dear Ms. Howard:

Enclosed you will find a fully executed duplicate original of the Settlement in the above referenced matter. As you know, the agreement requires Angus Chemical Company to remit a check in the amount of TWO THOUSAND TWO HUNDRED NINETY THREE AND 32/100 DOLLARS (\$2,293.32), ten days after receipt of this letter, to the following:

Louisiana Department of Environmental Quality
Office of Management & Finance
Attn: Darryl Serio
Post Office Box 4303
Baton Rouge, Louisiana 70821-4303

If you have any questions please feel free to contact me at the address below or by telephone at (225) 219-3985.

Sincerely,

Ted R. Broyles, II
Attorney - LDEQ

ew

Enclosure

cc: Darryl Serio, Office of Management & Finance
Peggy Hatch, Enforcement Division
Cheryl Easley, Enforcement Division
EDMS ✓
David Simmons, Air Division Supervisor

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ANGUS CHEMICAL COMPANY

AI # 1556

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

* **Settlement Tracking No.**
* **SA-AE-05-0003**
*
* **Enforcement Tracking No.**
* **AE-CN-03-0215**
* **AE-CN-03-0215A**
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SETTLEMENT

The following Settlement is hereby agreed to between Angus Chemical Company ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who owns and/or operates a Nitroparaffins Derivatives Plant with related units, which include the Crystals Unit, the Hydrogen Unit, the Isopropylhydroxylamine (IPHA) Unit, and part of the Shipping Department. The facility is located at 400 Louisiana Highway 2 in Sterlington, Ouachita Parish, Louisiana ("the Facility").

II

On October 14, 2003, the Department issued a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-03-0215, to Respondent, which was based upon the following findings of fact:

The Nitroparaffin Derivatives Plant currently operates under Air Permit No. 2011 (M-6) issued on March 9, 1999. The Crystals Unit currently operates under a Small Source Exemption issued on June 3, 1998, Air Permit No. 2448 (M-1) issued on September 25, 1998, and Air Permit No. 2456 (M-2) issued on October 6, 1998, which was amended on December 2, 1998, and October 28, 1999. The Hydrogen Unit currently operates under Air Permit No. 2485 (M-1) issued on December 23, 1998. The IPHA Unit currently operates under Air Permit No. 2405 issued on June 17, 1996, Air Permit No. 2426 (M-1) issued on February 14, 1997, Air Permit No. 2426 (M-2) issued on July 7, 1997, and Change of Tank Service issued on April 12, 2001. The Shipping Department currently operates under Air Permit No. 2579 issued on November 12, 1998. The Respondent submitted an application and Emission Inventory Questionnaire (EIQ) dated October 14, 1996, as well as additional information dated December 17, 2002, April 8, 2003, April 15, 2003, May 13, 2003, and June 18, 2003, requesting a Part 70 permit to combine the Nitroparaffin Derivatives Plant, the Crystals Unit, the Hydrogen Unit, the IPHA Unit, and part of the Shipping Department.

On or about July 28, 2003, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

The following violations were noted during the course of the file review:

- A. The Respondent's Part 70 application and EIQ dated October 14, 1996, as well as additional information dated December 17, 2002, April 8, 2003, April 15, 2003, May 13, 2003, and June 18, 2003, requesting a Part 70 permit to combine the Nitroparaffin Derivatives Plant, the Crystals Unit, the Hydrogen Unit, the IPHA Unit, and part of the Shipping Department propose to permit the following existing emission points that have not been previously permitted in any state permits:

ID No.	Description
CE-01	Condenser CC-03 for Butanol Column
CE-03	Condenser CC-09 for Butanol Stripper
CG-12	Condenser CG-13 for Mother Liquor Evaporator
CG-23	Flame Arrestor for CF-13, CF-14, and CF-15
CT-04	Butanol Tank
DE-04	Condenser DC-83 for AX Refining Column
DE-09	Condenser DC-27 for TA Stripper
DF-07	Spent Catalyst Tank
DF-12	Nitro Alcohol Transfer Tank
DF-48A	TA Settling Tank
DF-48B	TA Settling Tank
DF-56A	AMP Settling Tank
DF-56B	AMP Settling Tank
DF-73	Evaporator Charge Tank
DF-74	Evaporator Jet DG-59 for Falling Film Evaporator Separator
DF-78A	AMP Autoclave Catalyst Settling Tank
DF-78B	AMP Autoclave Catalyst Settling Tank
DF-87	Biocide Check Tank
DH-01	Hydraulic Conveyor
DR-03	Condensation Reactor
DT-02B	Crude TA Storage
DT-07	TN Feed Tank
DT-10	AMP/AX Storage Tank
DT-12	TN Drum Out Tank
DT-16	TN Ion Exchange Feed Tank
DT-19	TN Feed Tank
DT-24	TN Feed Tank
DT-27	Sulfuric Acid Tank
DT-28	Sulfuric Acid Tank
DT-29	NMP Truck Loading Tank
DT-30B	Morpholine Tank
DT-31	Sulfuric Acid Tank
G-44N	TA-40 Storage Tank
G-44S	TA-40 Storage Tank
G-66	Wet Butanol Tank
G-67	Butanol Extraction Tank
G-79	Water Phase Tank
G-81	NPC Waste Tank
HF-14	CE-03 Condensed Overheads Tank
HT-10	Sulfuric Acid

XT-01	TA-40 Storage Tank
XT-02A	Amino Alcohol Storage Tank
XT-02B	Amino Alcohol Storage Tank
XT-04B	AMP Storage Tank
XT-09A	Amino Alcohol Storage Tank
XT-09B	Amino Alcohol Storage Tank
XT-09C	Amino Alcohol Storage Tank
XT-10	Biocide Storage Tank
XT-14	ZT-55 Storage Tank
XT-17	Amino Alcohol Blend Tank

The Respondent's failure to permit each of the aforementioned emission points prior to construction, modification, and/or operation is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On June 4, 2004, the Department issued an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-03-0215A, based on the following findings of fact:

- A. The Respondent's Part 70 application and EIQ dated October 14, 1996, as well as additional information dated December 17, 2002, April 8, 2003, April 15, 2003, May 13, 2003, and June 18, 2003, requesting a Part 70 permit to combine the Nitropariffin Derivatives Plant, the Crystals Unit, the Hydrogen Unit, the IPHA Unit, and part of the Shipping Department propose to permit the following existing emission points that have not been previously permitted in any state permits:

ID No.	Description
DF-73	Evaporator Charge Tank
DF-74	Evaporator Jet DG-59 for Falling Film Evaporator Separator
DF-87	Biocide Check Tank
DT-27	Sulfuric Acid Tank
DT-28	Sulfuric Acid Tank
DT-29	NMP Truck Loading Tank
DT-30B	Morpholine Tank
DT-31	Sulfuric Acid Tank

The Respondent's failure to permit each of the aforementioned emission points prior to construction, modification, and/or operation is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act."

The Department incorporated all of the remainder of the original Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-03-0215 and Agency Interest No. 1556, as if reiterated in the Amended Compliance Order & Notice of Potential Penalty, AE-CN-03-0215A.

The Amended Compliance Order & Notice of Potential Penalty was effective upon receipt.

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-03-0215, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWO THOUSAND TWO HUNDRED NINETY-THREE AND 32/100 DOLLARS (\$2,293.32), of which Two Hundred Ninety-Three and 32/100 Dollars (\$293.32) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Amended Consolidated Compliance Order and Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ouachita Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement

for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

ANGUS CHEMICAL COMPANY

BY: Billy Duncan
(Signature)

Billy Duncan
(Printed)

TITLE: Vice President of Operations

THUS DONE AND SIGNED in duplicate original before me this 26th day of May, 2005, at Plaquemine, LA.

Karen E. Dugas
NOTARY PUBLIC (ID # 17548)

Karen E. Dugas
(Printed)

STATE OF LOUISIANA

Mike D. McDaniel, Ph.D., Secretary
Department of Environmental Quality

BY: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 29th day of September, 2005, at Baton Rouge, Louisiana.

Ted R. Bragley, II
NOTARY PUBLIC (ID # 20456)

Ted R. Bragley, II
(Printed)

Approved: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary



SETTLEMENT PAYMENT FORM

Please attach this form to your settlement payment
and submit to:



Department of Environmental Quality
Office of Management and Finance
P. O. Box 4303
Baton Rouge, Louisiana 70821-4303
Attn: Darryl Serio, Fiscal Officer

Payment # _____

Respondent: **ANGUS CHEMICAL COMPANY**

Settlement No: **SA-AE-05-0003**

Enforcement Tracking No(s): **AE-CN-03-0215, AE-CN-03-0215A**

Payment Amount: _____

AI Number: **1556**

Alternate ID No(s): _____

TEMPO Activity Number: _____

**For Official Use Only.
Do Not write in this Section.**

Check Number:

Check Date:

Check Amount:

Received Date:

PIV Number:

PIV Date:

Stamp "Paid" in the box to the right
and initial.

Route Completed form to:

**Peggy Hatch, Administrator
Enforcement Division**

**And copy Chris Ratcliff, Legal
Division**

Penalty Payment Form 07/16/04

EXHIBIT A

SA-AE-05-0003



CHARLES C. FOTI, JR.
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
P.O. BOX 94005
BATON ROUGE
70804-9005

September 7, 2005

Mr. Herman Robinson, Executive Counsel
La. Department of Environmental Quality
Legal Affairs Division
P.O. Box 4302
Baton Rouge, LA 70821-4302

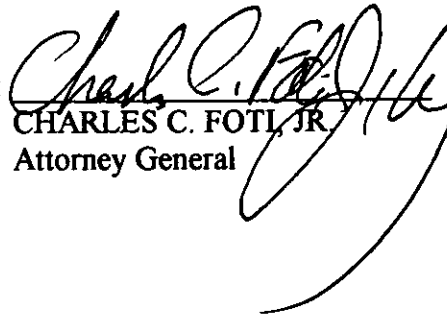
Re: AG Review of DEQ Settlement;
Angus Chemical Company
AE-CN-03-0215 and AE-CN-03-0215A

Dear Mr. Robinson:

Pursuant to the authority granted to me by Art. IV, Sec. 8 of the state constitution and R.S. 30:2050.7(E)(2)(a), I approve the above referenced settlement.

Sincerely,

By:


CHARLES C. FOTI, JR.
Attorney General

CCF/mlc